

**ALLIANCE FOR NUCLEAR RESPONSIBILITY**

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Eight years ago the Alliance for Nuclear Responsibility (A4NR) was a panelist at the first California Energy Commission (CEC) Nuclear Workshop. Our input was welcomed by the Commission and resulted in the state's first recommendations to analyze the costs, benefits and risks of California's reliance on and seismically vulnerable and nuclear power plants. John Geesman, our attorney, sat on the Commission in 2005 and was impressed with A4NR's determination to give the public a voice, offering to provide legal counsel in 2011.

The Alliance has attended each Nuclear Workshop since 2005 and we are pleased to be with you today. The history of CEC's actions on nuclear reliance continues to be well documented in the 2013 IEPR and we will not take time to repeat it. Instead A4NR will provide our own history following the Commission's original recommendations and state actions – legislative and oversight.

In 2006, after the cost, benefit and risk analysis was recommended by the CEC, the A4NR met with San Luis Obispo's Assemblyman, Sam Blakeslee and asked him to author legislation that would mandate the CEC's wishes. The bill, AB 1632, passed the legislature with a single "no" vote and the Commission instigated the analysis in 2008. Before the Commission could approve the analysis PG&E announced that a new earthquake fault had been discovered 1800 feet from the reactor site. Although completion of the analysis was supported by the Commission, and the legislature before license renewals were filed, PG&E ignored the state's wishes and filed for an additional 20 years of operation in 2009. PG&E requested funding for the renewal in 2010 and the Alliance was the only party to oppose the funding. Our position, supported by the CEC was that until seismic studies were completed, and independently reviewed, no ratepayer funding should be granted. The Nuclear Regulatory Commission (NRC) place PG&E's license renewal on hold and after almost two years PG&E's application to the California Public Utilities Commission (CPUC) was dismissed. What has PG&E's premature filing costs its ratepayers – a question that will be asked in the current General Rate Case.

A4NR was the only public voice when PG&E and SCE applied for seismic funding. Our concerns were based less on the overall costs and more on what those costs included, and how the studies would be reviewed by the state's

independent seismic experts. Funding was granted and both utilities began work before the state had set up AB 1632's Independent Peer Review Panel, as we all know that process has had more than a few bumps. The denial of PG&E's permit for 3-D studies remains in limbo as the California Coastal Commission has denied permits. The Shoreline review is not expected to be complete until 2018.

After the AB 1632 was enacted we have witnessed an earthquake in Japan that knocked out 8000 MW of generation in 90 seconds and some of the reactors barely returned to service before the Fukushima tragedy. Since that time we have watched as Japan struggles to meet its energy needs, return residents to their homes, address thousands upon thousands of tons of contaminated water and soil, and restore confidence in their government. Earlier this month the former Prime Minister Kan, and former NRC Chairman Jaczko spoke in San Diego relating their experiences in a post Fukushima world. Although Prime Minister Kan's speech was in Japanese, the translation was compelling. Rather than quote from a translation, we will quote solely from Chairman Jaczko who reflects the experience of the man in charge of the NRC when the tragedy began, and for a year after the accident:

Chairman Jaczko: "...over the years we began to rely more and more on the fact that things were not likely to happen and as a result we didn't need to spend money to address them. Clearly the accident at Fukushima told us otherwise...A recent assessment that was done by the American Nuclear Society which is a very credible organization made up of nuclear professionals, estimated in a report that they did following the accident that the overall costs including economic costs, loss of activity, the loss of viable use of land is approximately \$500 billion. Five hundred billion dollars is a tremendous sum and that is only a minimum...When we're dealing with nuclear power plants we are dealing with a situation in which you have a very unlikely events that can have very, very significant consequences...We have to pay much, much greater attention to the consequences of an accident, to the economic impact and the personal hardships on people.

"...As we look at the current fleet of nuclear reactors in this country, I think it is very important that appreciate in the United States that many of the plants that we have are aging. That these plants were designed over 60 years ago, the technology is very old and very outdated. And it's time that we reconsider prolonging the lifetime of many of many of these reactors.

(CONTINUE and link to our website: <http://a4nr.org/?p=2747>)

The Alliance for Nuclear RESPONSIBILITY finds the delayed action by the CPUC and the CAISO troubling. We believe it is a major cause of our state's current energy challenges in Southern California. Over a thousand workers will soon lose their jobs and neither agency felt the need to fully enact AB 1632 until after San Onofre's steam generators failed. San Diego and possibly Orange

County residents and business fear brownouts and blackouts should the weather be extreme or should fires breakout. The uncertainty of reliable generation and lack of responsible planning can be laid squarely on the shoulders of the CPUC, CAISO and foot dragging by SCE.

Yet responsibility also demands that we look for opportunity in this electric chaos. It also demands that this shortsightedness not be repeated at Diablo Canyon. A4NR is currently sponsoring SB 418, sponsored by Senator Hannah Beth Jackson who represents both SCE and PG&E ratepayers. As SCE has decided to retire San Onofre the bill now only applies to Diablo Canyon, and then only if PG&E reapplies for license renewal.

SB 418 would mandate a full analysis of all foreseeable costs: once-through-cooling alternatives, new security measures, new seismic requirements, lessons learned from Fukushima... before PG&E could seek ratepayer funding for license renewal. While we understand that the CPUC could enforce this requirement, it did not do so when PG&E filed in 2010 and we believe a mandate is the solution.

California cannot afford more nuclear surprises and SB 418 is written to reduce the uncertainties and the costs of continued reliance on these aging reactors. Retirement has been announced at four nuclear plants in the last four months – none were anticipated a year ago and all will be costly and challenge adequate energy supplies.

Responsibility demands that we not only ask tough questions, but demand they be answered, before ratepayer dollars are invested. SB 418 demands PG&E analyze all costs of license renewal, only then can the state decide if its long term planning should continue reliance on aging reactors or invest in alternatives.

Last week Bloomberg has reported that the cost of decommissioning 6 nuclear reactors in Britain are estimated at \$106 billion and quoted one economic analyst ““Decommissioning reactors that have operated for so long is uncharted territory, so it’s very difficult even for utilities to know much these projects will cost and how long they’ll take,” Seidenspinner said by phone from Frankfurt on June 7. “That can be an added risk for utilities.”

All agree that the longer it takes to decommission the longer the utilities and their ratepayers will be on the hook.

The NRC will soon adopt their lesson-learned from Fukushima and the CPUC will eventually determine what ratepayers will pay for San Onofre. SB 418 sponsored by Hannah Beth Jackson requires that there be an analysis of foreseeable costs of Diablo Canyon.

Next week could bring more negative news to the nuclear industry and more costs to consider. Time is not on the side of aging reactors and costs are mounting.

The Alliance for Nuclear Responsibility requests that the CEC support SB 418.

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